

Washington State Transportation Commission

King County Metro Budget Report

October 21, 2009

After several years of record breaking ridership and increased market-share, King County Metro faces an enormous structural deficit caused by plummeting sales tax revenue.

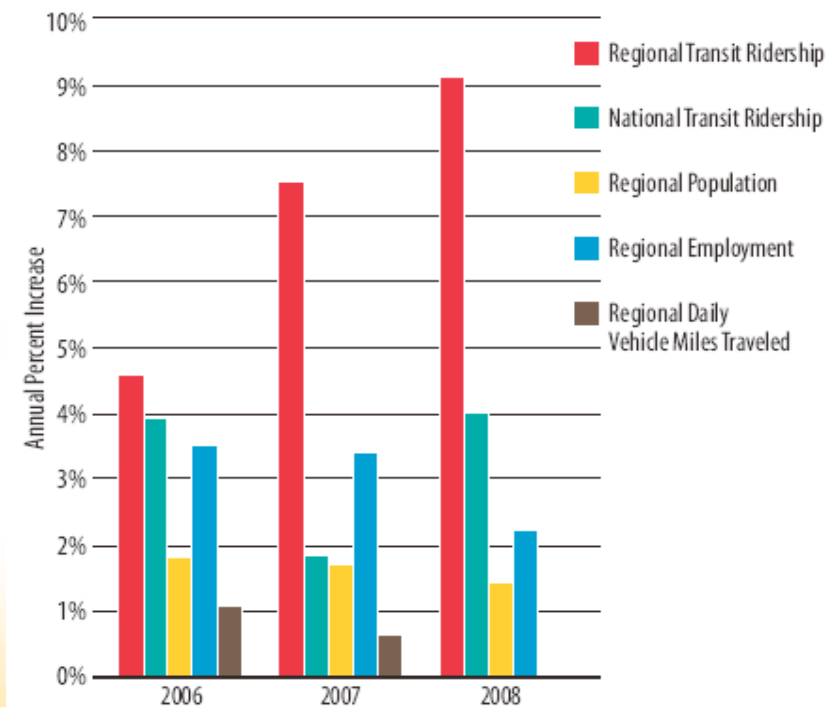
Puget Sound Region Transit Ridership outpaces strong national growth by 130 %



PUGET SOUND *Trends*

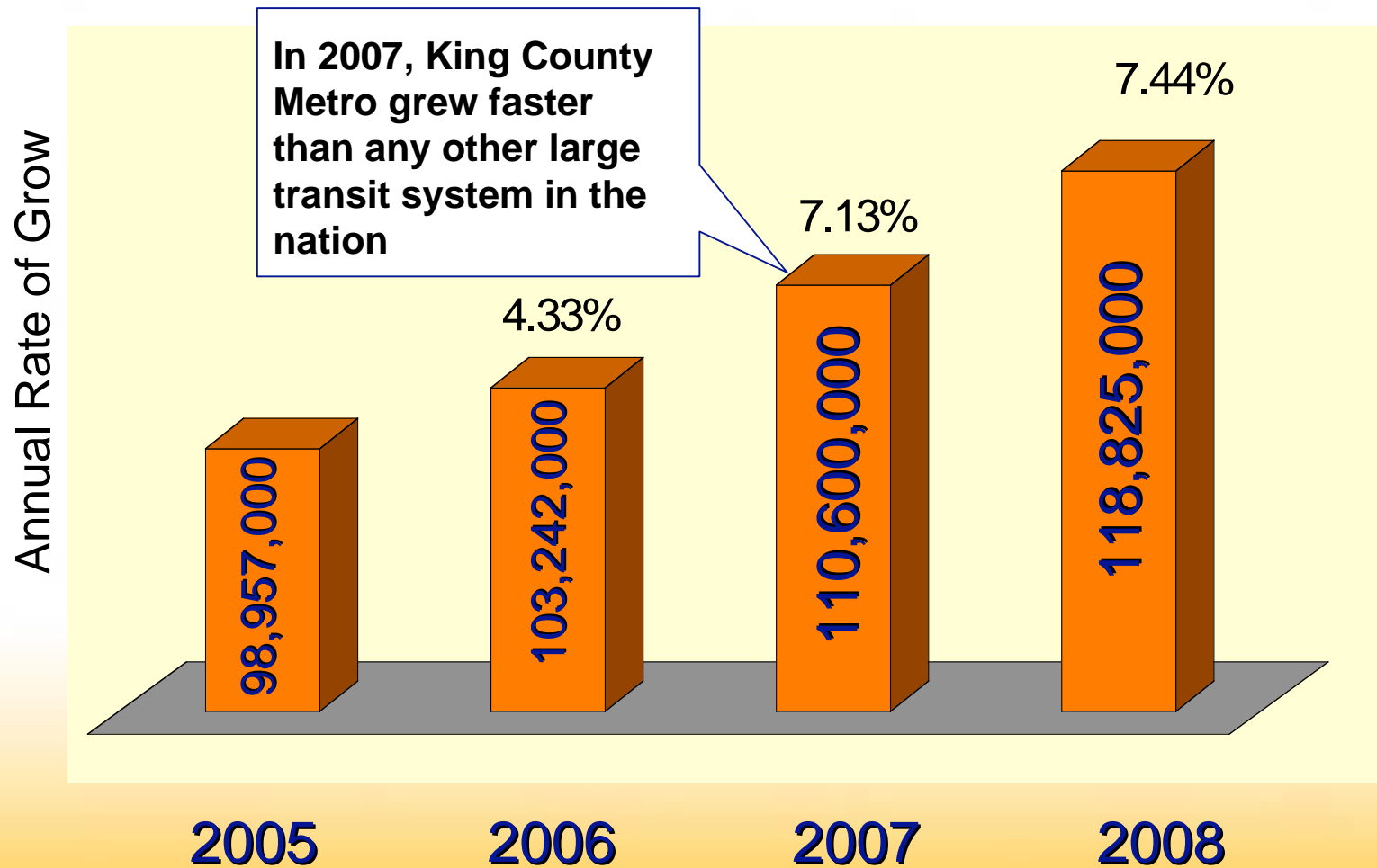
Nº T6 • JUNE 2009

Figure 1. Annual Growth Trends



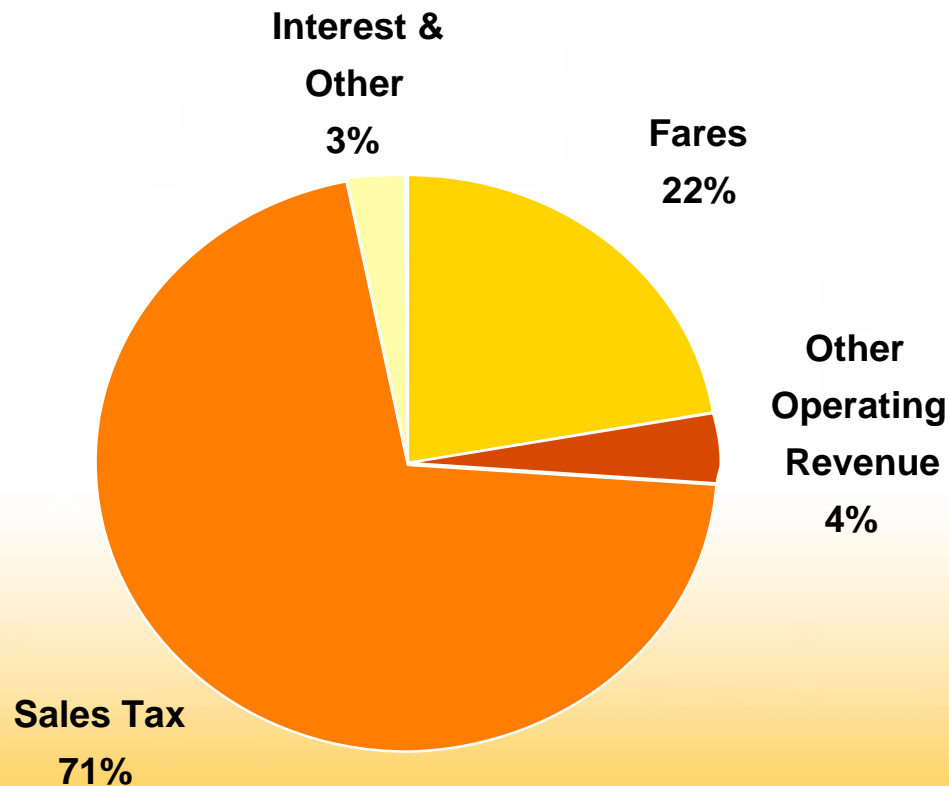
Sources: American Public Transportation Association Ridership Reports, Washington State Office of Financial Management, Washington State Employment Security Department, Washington State Department of Transportation Highway Performance Monitoring System

Metro Ridership Growth

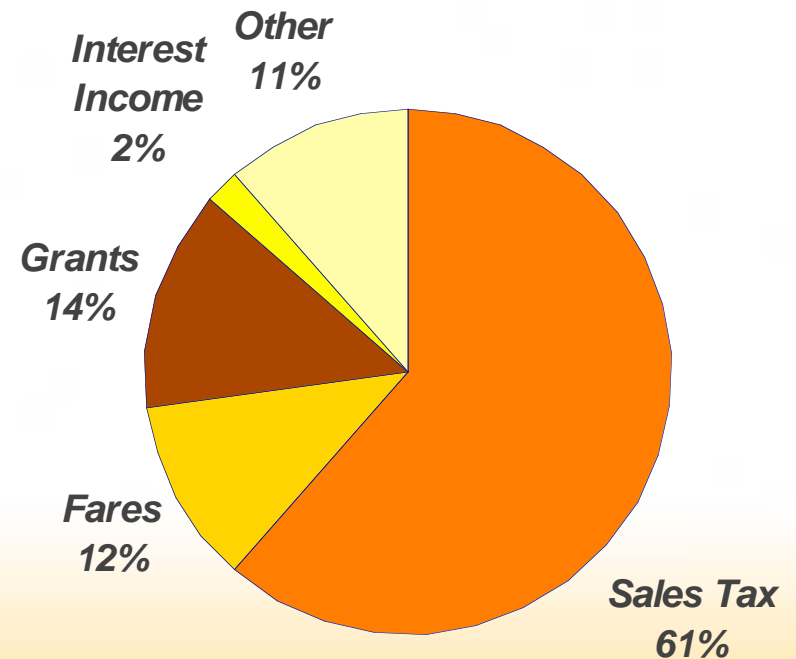


King County Metro Revenue

Operating Only*

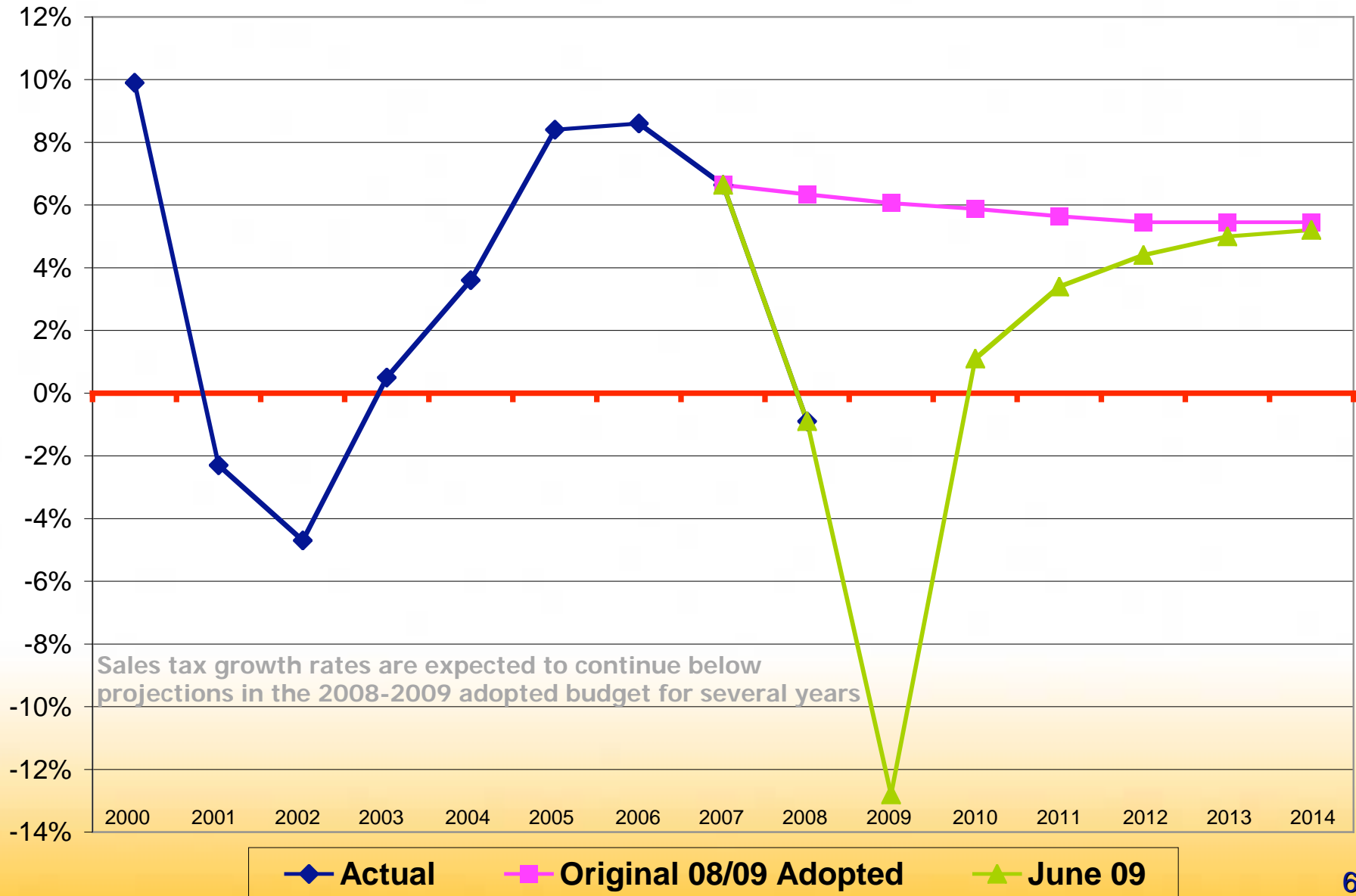


Operating and Capital*

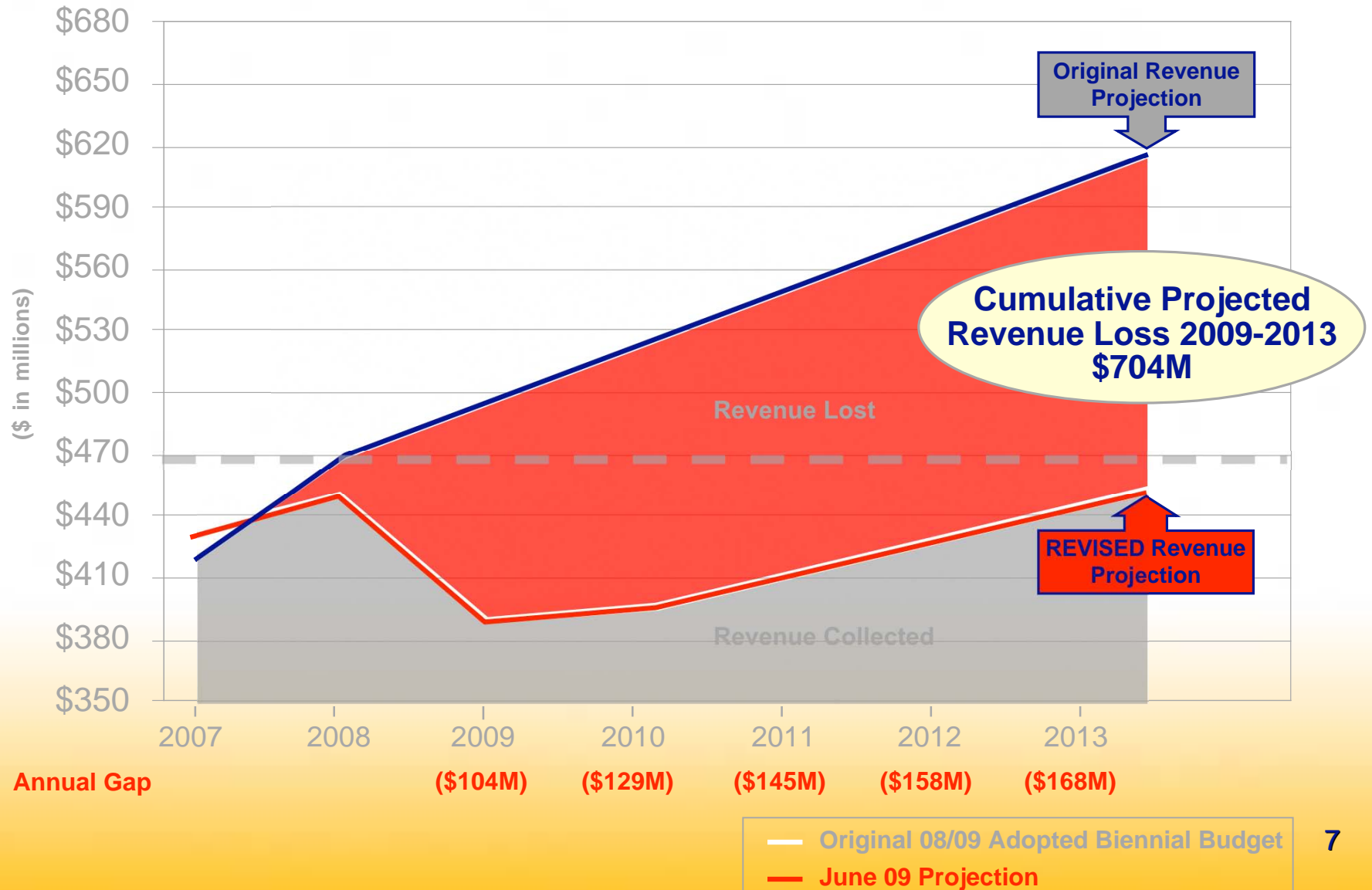


*Excludes cost and revenue for Sound Transit services

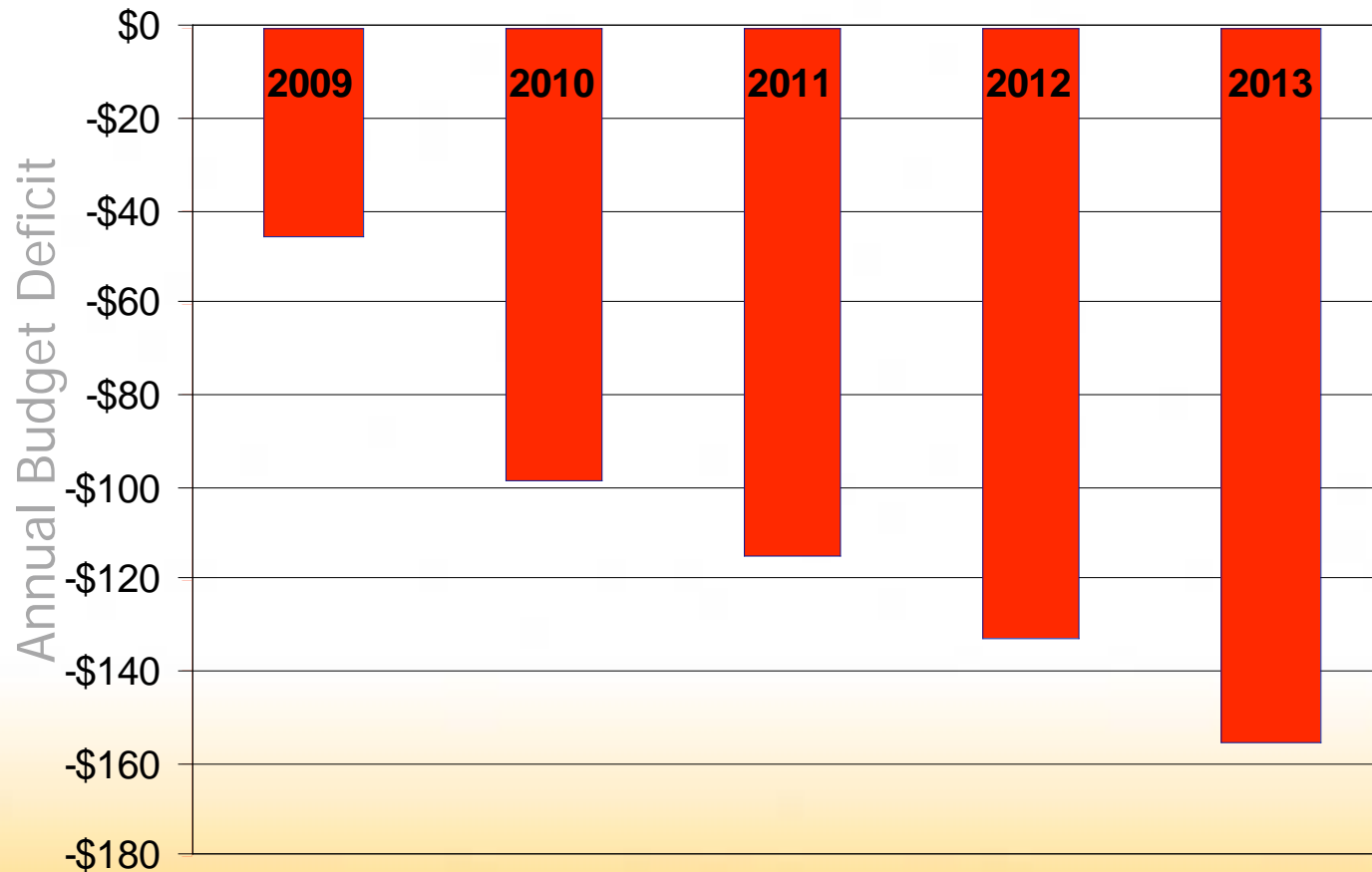
Transit Program — Sales Tax Revenue



King County Metro - Sales Tax Shortfall



Red Ink Continues to Grow



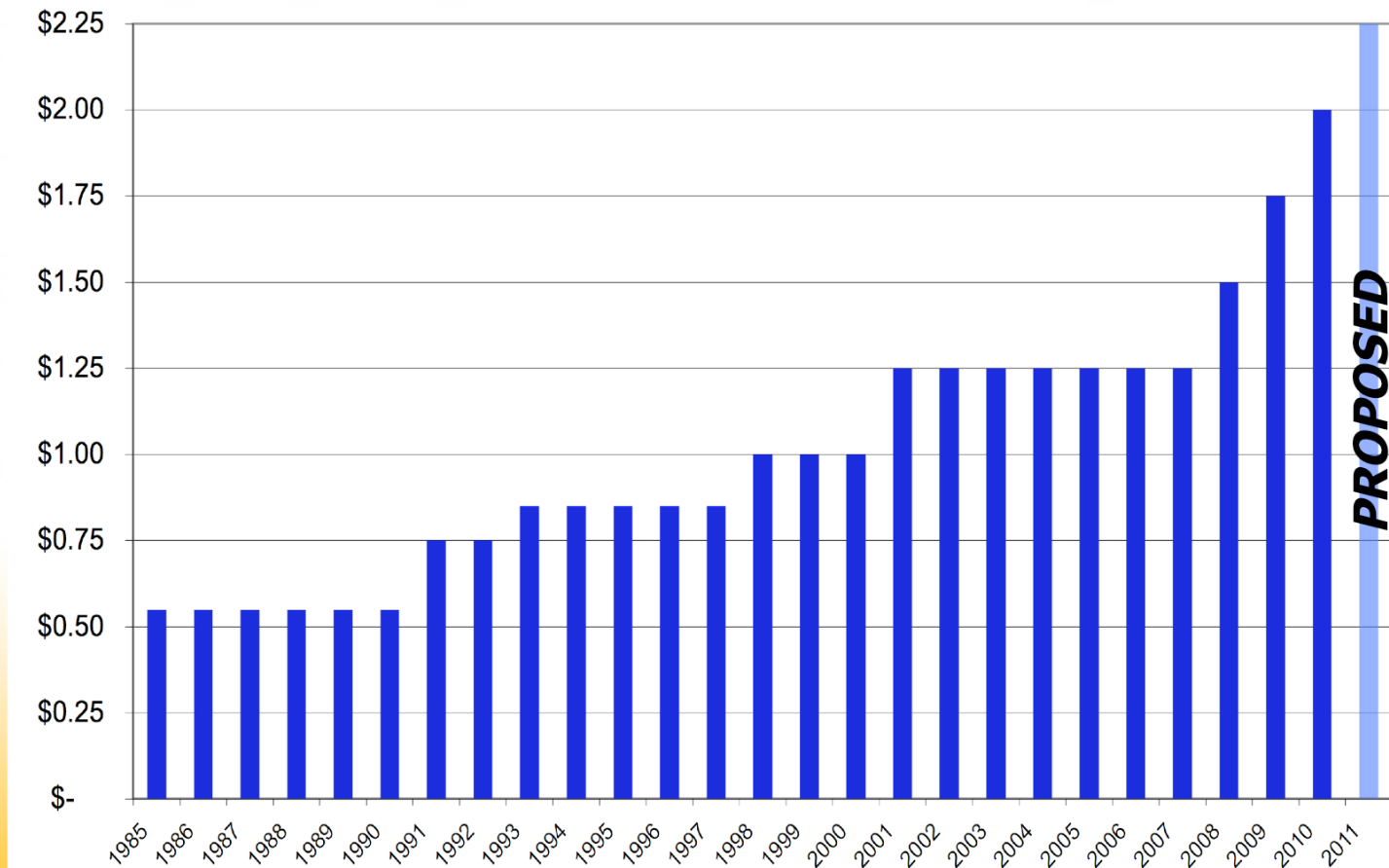
Cumulative
\$546,000,000
budget gap
2009 thru 2013

Actions/Consequences

What does it all mean?

King County Metro Base Fare

- ❖ Base fares 1985 through 2010, and proposed 2011 fare.
- ❖ With the 2011 fare increase, Metro base fare will have increased 80% in four years



Capital Program Reductions

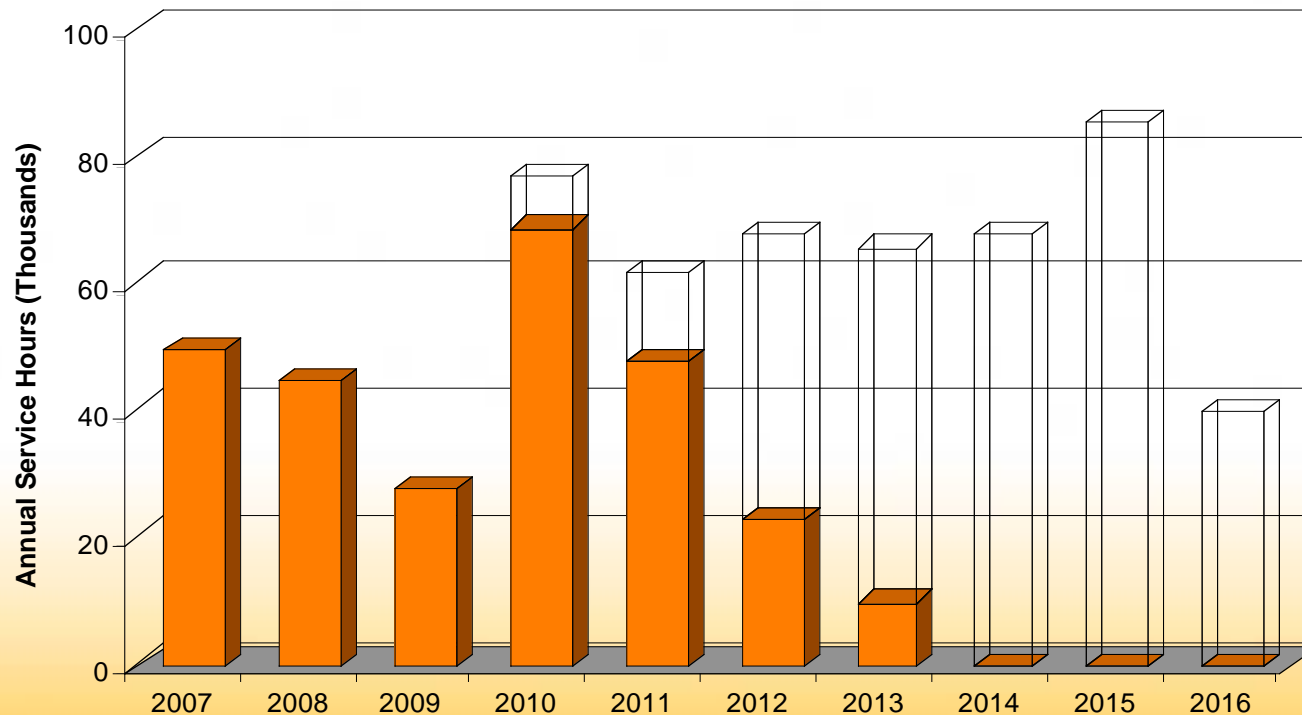
- \$160 million cut 2009 – 2011
 - Fewer service hours means a smaller fleet requirement. Most savings are in bus purchase costs.
 - Passenger facility, speed and reliability and asset maintenance programs are also reduced

Spend Down Reserves

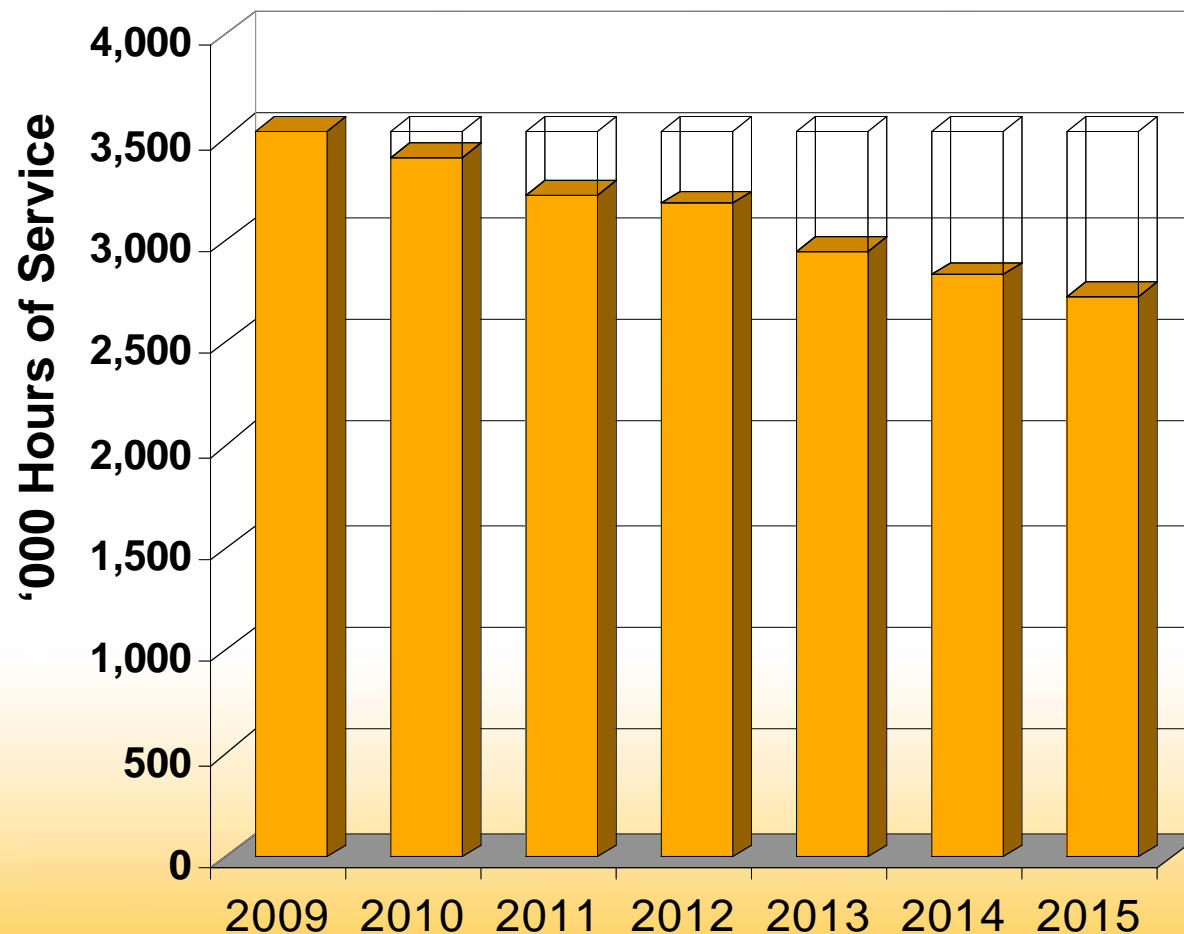
- Operating Reserves
 - Used to balance 2009 budget
 - Temporally reduce Metro's one-month operating reserve requirement to two weeks
 - Allows expenditure of \$40 million to preserve service over 4 years
- Revenue Fleet Replacement Fund
 - Reduce \$100 million from Metro's Revenue Fleet Replacement Fund
 - Spread over the four year period of 2010-2013 to preserve existing bus service

Defer *Transit Now* Investments

- 273,000 *Transit Now* hours implemented by the end of 2013, 317,000 deferred until funding allows



Potential Service Hour Reductions



- 9% service reduction 2010 -- 2011
- Could be up to 23% by 2015

Adequate Stable Funding

- 2009 Legislature Authorized King County Property Tax for Transit
 - up to 7.5 cents per thousand of assessed value
 - Expand SR 520 service (1 cent), Federal Urban Partnership Award
 - Other Transit-related expenditures (6.5 cents)
 - If fully enacted would fill less than 19% of the anticipated budget gap between 2010 and 2015.
- Work with the State and other stakeholders to develop more stable funding sources

Questions?